

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2013-6-G - ORDER NO. 2013-751  
OCTOBER 15, 2013

IN RE:	Application of South Carolina Electric & Gas	)	INITIAL ORDER ON
	Company to Have the Terms of the Natural	)	APPLICATION OF THE
	Gas Rate Stabilization Act Apply to the	)	NATURAL GAS RATE
	Company's Rates and Charges for Gas	)	STABILIZATION ACT
	Distribution Services	)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) pursuant to S.C. Code Ann. §§ 58-5-420(2) and 58-5-455, a portion of the Natural Gas Rate Stabilization Act, as related to South Carolina Electric & Gas Company (SCE&G or the Company). Order No. 2005-619 established a baseline return on equity for the Company under the Act. Section 58-5-455 sets out a procedure for the handling of monitoring reports under the Act related to the quarter ending March 31.

Briefly, under Section 58-5-455, the Company files the monitoring reports with the Commission and the Office of Regulatory Staff (ORS). Parties may comment on the reports. Where it appears to the Commission or ORS that an adjustment in rates may be warranted, ORS shall conduct an audit of the monitoring report and specify any changes that it determines are necessary to correct errors in the report or to otherwise bring the report into compliance with the statute. Parties may comment on the ORS audit. On or before October 15, the Commission shall issue an initial order setting forth any changes required in the utility’s request to adjust rates under the statute. Any gas rate adjustments authorized under the terms of the statute shall take effect for all bills rendered on or after

the first billing cycle of November of that year. This present order is the “initial order” contemplated by S.C. Code Ann. Section 58-5-455 for SCE&G.

Pursuant to the South Carolina Natural Gas Rate Stabilization Act (“Act”), SCE&G submitted its quarterly monitoring report for the twelve-month period ending March 31, 2013. The quarterly monitoring report indicates that, after pro forma adjustments, the Company earned a return on its gas distribution operations that is within its allowable rate of return range on common equity established in Order No. 2005-619. Accordingly, the Company has requested no adjustment to its rates and charges.

The ORS conducted a review of SCE&G’s Monitoring Report for the twelve-month period ending March 31, 2013, to evaluate compliance with Section 58-5-430 and Section 58-5-440 of the Act. The ORS proposed certain adjustments to reported amounts to bring the report into conformance with those Sections. As a result of these adjustments, the ORS calculated the adjusted return on rate base and return on common equity to be 8.10% and 10.13%, respectively. The ORS concluded that because these numbers fall within the approved range of authorized return, no adjustment is required.

We have examined the pro forma adjustments proposed and agreed upon by the parties, and we take no exception to them.

#### FINDINGS AND CONCLUSIONS


1. S.C. Code Ann. Section 58-5-455, a portion of the Natural Gas Rate Stabilization Act, requires the filing of certain documents and the issuance of this Initial Order.
2. The Company has not requested any adjustment to its rates and charges.

3. ORS has concurred that no adjustment to the Company's rates and charges is necessary.

4. This Commission has likewise found no adjustment necessary.

5. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
G. O'Neal Hamilton, Chairman

ATTEST:

  
Nikiya Hall, Vice Chairman

(SEAL)